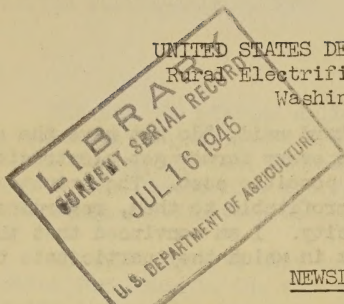


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UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration
Washington 25, D. C.



July 2, 1946

NEWSLETTER TOPICS

(Note to Manager: The following item is intended for publication after your return from the personnel conference).

CO-OP REPRESENTED AT
REA PERSONNEL MEETING

Your co-op was represented at the REA personnel conference and book-keepers' school in _____ by _____
(place) (date) (list personnel from co-op attending). The first day was devoted to discussion of general topics of interest to co-op personnel. This was followed by three days of instruction in REA accounting procedure.

One of the most interesting topics discussed at the general session was a suggestion by REA that co-ops work out plans to give each consumer credit on the co-op's books for his proportionate share of the co-op's net worth. Each consumer's share would be based on the amount of his power bills from the time he first received service.

The procedure is now being discussed by REA officials with representatives of other REA-financed co-ops in meetings similar to the one attended by your representatives. Discussion at these meetings is expected to help in rounding out details of the plan. Before the plan can be placed in effect, it will be necessary for the membership of the co-op to take action, so you will all have an opportunity to hear the matter discussed fully at a later date.

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WICKARD EXPOSES UTILITIES
SO-CALLED "EDUCATIONAL PROGRAM"

Speaking before representatives of Texas REA co-ops at Austin recently, REA Administrator Claude R. Wickard explained REA's widely-publicized refusal to participate in a so-called "educational program" proposed by power company leaders. He urged co-op officials to "continue to promote more effective and profitable use of electricity on the farm" but warned that they should be on guard against joining in a power company program apparently designed to serve the selfish ends of the private utilities.

"The power companies," Mr. Wickard said, "do not have the same basic objective we have. We in REA want to see every farmer get electricity at the earliest possible date and at the lowest possible cost. The private utilities want the job done in a way that is most profitable to them, regardless of whether, when or how farmers get electricity. I am convinced that the power companies will attempt to use any program in which they participate to serve their selfish ends."

The power companies, the Administrator pointed out, appear to be using their proposed educational program in an effort to gain support from "farm organization officials, agricultural and research groups, the farm press and other good friends of REA...They know that such an educational program has popular appeal, because they have seen wide-spread acceptance of REA's leadership in this field in recent years."

REA and the co-ops are entitled to look upon the utilities' proposed "educational program" as a "Trojan Horse," Mr. Wickard said, since it is proposed by the same power company officials who have fought REA in Congress, proposed territorial agreements between co-ops and private utilities, opposed generation and transmission loans, attacked the tax status of rural electric co-ops and otherwise attempted to thwart the area coverage electrification plans of the co-ops.

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(Note to Manager: In addition to using the following article in your newsletter, you should be able, by making slight changes, to use it as a story for the newspapers in your area).

CONGRESS AUTHORIZES REA LOANS OF 250 MILLION IN FISCAL 1947

On July 1, REA began to make from the \$250,000,000 fund authorized by Congress for REA loans during the 1946-47 fiscal year. Loans from the 1947 fund will be used largely to finance the expansion of present rural electric systems. Some loans, however, will be used to finance the construction of new electric systems in rural areas where there are no existing facilities.

During the 1946 fiscal year, which ended June 30, REA made loans totalling \$290,463,910 to borrowers in 45 States and Alaska. This was the largest one-year loan total in the 11-year history of REA. State loan totals ranged from \$37,000 in Nevada to \$23,685,000 in Texas. These loans will finance the addition of more than 183,000 miles of rural distribution line and more than 565,000 consumers to REA-financed systems.

Of the loan funds allocated by REA during the last fiscal year, your co-op received loans totalling \$ _____ for addition of _____ miles of line to serve _____ new consumers. Approximately _____ of these new consumers have already been added to our lines, and the others are being built to just as rapidly as we can get the materials.

REA had 300 million dollars available for loans in fiscal 1946, but approximately 10 million dollars from this fund is being carried over for lending during the 1947 fiscal year since it had not been requested by borrowers in the States to which funds were allotted under the requirements of the Rural Electrification Act.

The Act requires that one-half of each year's REA loan fund shall be allotted for loans in the various States in proportion that the number of unelectrified farms in each State bears to the number of unelectrified farms in the United States. When the full amount of funds from the allotted half is not requested as loans by borrowers within the State to which they were allotted, the remaining funds may be included in the next year's loan funds. Borrowers in California, Connecticut, Kentucky, Maine, Massachusetts, Nevada, New Hampshire, New York, Pennsylvania and Rhode Island requested less than the full amount allotted for loans in those States from 1946 REA loan funds.

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REA COOPERATIVES SAVE MONEY
BY BUYING SURPLUS WAR PROPERTY

A report just received from the Rural Electrification Administration indicates that REA-financed cooperatives are making good use of surplus war property. REA's report, which includes all purchases to May 1, shows that more than \$1,300,000 has been spent by co-ops for surplus property.

This report includes \$ _____ spent by this cooperative for the purchase of (List any items purchased by your cooperative through the REA surplus property office).

REA estimates that cooperatives have saved more than \$1,000,000 by securing needed material and equipment from agencies handling surplus war property. The report shows surplus purchases amounting to \$1,363,223. REA estimates the equivalent normal cost of these items would have been \$2,450,000. The report shows that 570 REA-financed cooperatives in 41 States have participated in the purchase of surplus property.

Co-ops have been particularly anxious to secure automotive equipment and construction materials. On May 1, 450 trucks and trailers had been secured from surplus property. Over 4,000,000 feet of wire and cable had been purchased. Other items that have been available from time to time include transformers, conductor and line hardware.

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CO-OP MEMBERS URGED TO HELP
IN FOOD PRESERVATION DRIVE

The nation's 1946 Home Food Preservation Program opens in July and will continue throughout the summer and fall. American housewives, who

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canned more than four billion jars of food in one war year, are being asked to surpass that mark this year, since home food preservation not only will increase supplies for American families, but also will help release foods that are particularly adapted for shipment to the famine areas abroad.

The members of this cooperative are in an excellent position to take an active part in this vital program. Many of you have modern electric kitchens equipped with running water and up-to-date equipment, that will enable you to can more food this year than ever before. In some neighborhoods, you may be able to team up with your neighbors who do not yet have electricity or have not been able to get electrical equipment for group canning bees, using your modern kitchen facilities. There will undoubtedly be other ways you can help.

We know that as good neighbors, good citizens and good cooperators, our members will want to do everything possible to make 1946 a record year for food preservation. For details about the program in your community, watch your local newspapers or get in touch with your local representatives of the Department of Agriculture and the Extension Service.

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REA SHORTS

(The following short items can be used as space fillers where needed. We suggest that you save for future use any items not needed in your next issue).

A Montana co-op recently became the first REA-financed co-op to purchase public power generated at the Ft. Peck, Montana, dam directly from the Bureau of Reclamation.

Several REA co-ops in the South report that the electric range ranks second to the central water system among electrical devices which farmers plan to buy when new equipment becomes available.

The word "kilo" comes from a Greek word meaning one thousand. Thus, a kilowatt equals 1,000 watts. A kilowatt-hour "written kwh" is a kilowatt of electrical energy used for one hour. A horsepower equals 746 watts, or about three-quarters of a kilowatt.

A circuit breaker and a fuse have the same function. Both are safety devices to prevent the flow of current when an electric circuit becomes overloaded. A circuit breaker is a switch that opens automatically when too much current flows in the circuit. A fuse contains a piece of soft metal that melts and opens the circuit when there is too much current.